

## **COMPETE PROGRESS REPORT FOR JANUARY 2012**

### **Highlights**

In the highlights for the month of January 2012, the following were the activities planned for the period under the report: joint grain aggregation, uplift and selling of the farmers' produce to a variety of buyers, negotiations for contracts from WFP among other outreach activities.

### **Details of accomplishments**

#### **Joint Produce Consolidation and Selling**

In Trans Mara, WFP was finally able to uplift the 202.23MT of maize belonging to Keturo Farmers Association from Angata after being in the store for 6 Months since July 2011. The delay was caused by the heavy rains that made roads impassable throughout November and December 2011. However farmers were paid 80% of the amount (USD 73,850) before the uplift as they had requested so that they could pay school fees, purchase inputs and plough land in preparation for the main season. 20% of the balance (USD 18,462) is to be paid by mid February 2012.

Meanwhile, following the request for a tender to supply 292MT of maize by the Lolgorian and Oldonyo Orok Marketing Groups for the extra stock the farmers had after supplying all the contracted maize, WFP awarded the two groups a tender to supply 216MT where 175MT will be supplied by Oldonyo Orok Marketing SHG and 41MT supplied by the Lolgorian Grain Growers SHG at a price of Kes 34,222.23/MT (USD 402.61/MT) respectively. The farmers are waiting to sign a contract by mid February 2012. Only 27MT valued at USD 9,530 was sold to local traders in January.

In Kongwa, an additional 100 MT maize was bulked at Pandambili WRS store waiting for any prospective buyer and / or the upcoming WFP-P4P tender of 300 MT. This is in addition to the 103.5MT already in the same store under the WRS. Therefore, currently there is total of 203.5MT of white maize available at Pandambili.

As reported in December 2011 CGOK tendered for 300 MT of maize in the competitive tendering system at a price of TZS 598,000/MT (USD 398.67) delivered to Dodoma. This price was higher than the market price of TZS 420,000 (US\$ 280) per MT and probably due to this, the Cereal Growers of Kongwa (CGOK) was not awarded the tender just like many other vendors. The feeling of the farmers is that WFP-P4P is comparing with the prices of the National Food Reserve Authority (NFRA) and that of other

parts of Tanzania without consideration that NFRA and the other traders do buy the produce at harvesting period at an average price of TZ 420,000/MT (USD 280/MT) before any value addition such as cleaning is done and when there is surplus. However, CGoK and the other vendors were advised to re-tender competitively. CGoK therefore bid for a price of TZS 548,000/MT (USD 365.33). CGoK based the bid price on the fact that the maize is stored under the Warehouse Receipting System facility from which CGOK is operating at Panda Mbili. The tender results will be out by mid February 2012.

***Summary of joint bulking and selling during the month of January 2012***

<b>Commodity</b>	<b>Region</b>	<b>Bulked (MT)</b>	<b>Sold (MT)</b>	<b>Buyer</b>	<b>Value (US\$)</b>	<b>Available stocks (MT)</b>
Maize	Trans Mara	496.85	202.23	WFP	92,312	267.77
			27	Traders	9,530	
	Kongwa	203.5	-	-	-	203.5
Beans	Trans Mara	90	-	-	-	90
<b>TOTAL</b>		<b>790.5</b>	<b>229.23</b>		<b>101, 842</b>	<b>561.27</b>

*(Exchange rate of USD 1= KES 85 and TZS 1,500)*

**Activities for February 2012**

- Continued implementation of the new contracts awarded in Trans Mara and Kongwa
- Implementation of the WRS in Kongwa
- Capacity building through trainings – Good Agronomic Practices and Financial Management
- Continued monitoring of stores construction effort
- Sensitization of white millet farmers in Tanzania about the tendering procedure and price negotiations in order to supply the commodity to Tanzania Breweries Ltd